

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6430**

**BILL NUMBER: SB 211**

**DATE PREPARED:** Nov 26, 2001

**BILL AMENDED:**

**SUBJECT:** Motor Vehicle Documentation and Sales.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill: (1) requires certain information to accompany a certificate of title for a vehicle brought from a foreign country; (2) requires a dealer to furnish a valid certificate of title to a purchaser in not more than 60 days; (3) requires an assembled vehicle to bear an identification number and that its certificate of title contain the words "assembled vehicle"; (4) requires a vehicle that does not bear its original or unaltered identification number to receive a special identification number from the Bureau of Motor Vehicles (BMV); (5) permits a motor vehicle dealer to issue a second interim plate to the vehicle's owner; (6) permits the owner of a certain damaged or wrecked vehicle who retains the vehicle to apply to the BMV for a certificate of salvage title; (7) changes the title of the Motor Vehicle Sales Advisory Board to the Motor Vehicle Sales Review Board (Board), adds a ninth member, and authorizes the Board to assist the BMV in the regulation of vehicle manufacturers, distributors, and dealers, including repealing the authority for the BMV to institute an injunction compelling regulation and replacing its authority with that of the Board's; (8) requires a filing fee for a protest or dispute filed with the board by certain persons engaging in the business of buying or selling motor vehicles; (9) authorizes the Board to impose a civil penalty for a violation of a regulation of vehicle manufacturers, distributors, or dealers; (10) requires the filing fee and civil penalties to be deposited in the Motor Vehicle Highway Account (MVHA); (11) makes it an unfair practice for a person to act as a broker in the advertising, buying, or selling of any new or used vehicle; and (12) repeals and relocates requirements for an application for a special identification number on a motor vehicle.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** *(1) Requiring certain information to accompany a certificate of title for a vehicle brought from a foreign country.* The burden is placed upon the applicant for a title. However, the requirements of this section may require additional staff time on the part of the Bureau of Motor Vehicles Commission (BMVC) employee to title the vehicle. The specific impact is indeterminable. The fund affected is the State License Branch Fund which supports the BMVC.

*(2) Requiring a dealer to furnish a valid certificate of title to a purchaser in not more than 60 days. This section will have no impact on the expenditures of the BMV.*

*(3) Requiring an assembled vehicle to bear an identification number and that its certificate of title contain the words "assembled vehicle".* The BMV currently has a procedure for "assembled vehicles". The BMV will stamp the words "assembled vehicle" on the title. The BMV will implement this section under their current practice and will not require additional expenditures.

*(4) Requiring a vehicle that does not bear its original or unaltered identification number to receive a special identification number from the BMV.* The BMV will implement this part under their current practice and will not require additional expenditures.

*(7) Changing the title of the Board, adding a ninth member, and authorizing the Board to assist the BMV.* Changing the name of the Board will have no fiscal impact. Authorizing the Board to assist the BMV in regulation of vehicle manufacturers, distributors, and dealers, adding one additional Board member, and changing the authority of the BMV and replacing it with that of the Board's may increase expenditures of the Board. The current Board has met sporadically over the last two years and has not expended any funds for the last two fiscal years. The fund affected is the Motor Vehicle Highway Account (MVHA) which supports the BMV.

*Penalty Provision:* The proposal changes the violation of IC 9-17-4-6 from a Class C infraction to a Class D felony. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$22,131 in FY 2000. Individual facility expenditures ranged from \$16,442 to \$40,312. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The average length of stay in DOC facilities for all Class D felony offenders is approximately ten months.

*(12) Repealing and relocating requirements for an application for a special identification number on motor vehicles.* This provision will have no fiscal impact on the BMV.

**Explanation of State Revenues:** *(5) Permitting a motor vehicle dealer to issue a second interim plate to the vehicle's owner.* Dealers are charged \$3 for interim license plates. Of the \$3 fee, \$2 is deposited into the Crossroads 2000 program and \$1 is deposited into the MVHA. The Crossroads 2000 program provides for highway bonding.

*(6) Permitting the owner of a certain damaged or wrecked vehicle who retains the vehicle to apply to the BMV for a certificate of salvage title.* The fee for a salvage title is \$10 and is deposited into the MVHA.

*(8) Requiring a filing fee for a protest or dispute filed with the Board by certain persons engaging in the business of buying or selling motor vehicles; (9) authorizing the Board to impose a civil penalty for a violation of a regulation of vehicle manufacturers, distributors, or dealers; and (10) requiring the filing fee and civil penalties to be deposited in the MVHA.* For a person who files a protest or dispute with the Board, a filing fee of \$500 is required. This fee is deposited into the MVHA. In addition, the bill provides for a \$2,000 civil penalty (currently \$1,000) imposed by the Board for each day that a person violates the provisions of this bill. The civil penalty is to be deposited into the MVHA.. Specific revenues will depend upon the number of filings and civil penalties ordered by the Board. The fund affected is the MVHA.

*Penalty Provision:* In addition, IC 9-23-6-1 provides for a Class B misdemeanor for violation of this article. It is possible that a person who violates the provisions of this proposal will be penalized by both the imposition of a civil penalty by the newly named Board and a criminal penalty.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the State General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the State General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the State General Fund.

*Penalty Provision:* Changing the violation of IC 9-17-4-6 from a Class C infraction to a Class D felony. Regarding the Class D felony, if additional court cases occur and fines are collected, revenue to both the Common School Fund and the State General Fund would increase. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the State General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the State General Fund.

However, the maximum judgment for a Class C infraction is \$500 which is deposited in the State General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

*(11) Making it an unfair practice for a person to act as a broker in the advertising, buying, or selling of any new or used vehicle.* The bill provides for a \$2,000 per day civil penalty imposed by the Board for each day that a person violates the provisions of this bill. The civil penalty is to be deposited into the MVHA.. Specific revenues will depend upon the number of filings and civil penalties ordered by the Board. The fund affected is the MVHA.

*Penalty Provision:* In addition, IC 9-23-6-1 provides for a Class B misdemeanor for violation of this article. It is possible that an a person who violates the provisions of this proposal will be penalized by both the imposition of a civil penalty by the newly named Board and a criminal penalty.

**Explanation of Local Expenditures:** A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44. If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase.

**Explanation of Local Revenues:** For Class D felonies and Class B misdemeanors, if additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record (For Class C infractions, the court fee is only \$70). Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Bureau of Motor Vehicles.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Melanie Schwartz, Deputy Commissioner of the BMV, 233-1218.